

"America's Partnership With Moldova"

an Address at Comrat State University

Ambassador William H. Moser

Wednesday, February 05, 2014.

Rector, Vice Rectors, Professors, Ladies and Gentlemen, good day.

It is a great pleasure to be in Gagauzia again and meet with you here today at your university.

I thank Rector Aricova for inviting me. I love to visit universities. I applaud you all for being in school. I know it sounds cliché, but you truly are the future of this country..As you are well aware, universities are a place to prepare yourselves intellectually, socially and psychologically, both for your future careers as well as your future lives.

But universities have another role, arguably a more important one. They are a place to learn to become active citizens, and to find solutions to problems facing your communities, your country, and the world.

As you know, the Republic of Moldova faces a unique set of challenges right now as it continues its transition to democracy, open government, a free press, and a market economy. Since 1991, when Moldova declared its independence from the former Soviet Union and began its path toward becoming a democratic, prosperous and stable European state, the United States has stood with Moldovans who share our ideals. Today, I would like to talk to you about what the U.S. government is doing to assist Moldova in developing its government, its civil society, and its economy.

Before I begin, though, I would like to answer a couple of questions that we diplomats at the U.S. Embassy in Chisinau are often asked: Why does the United States care about Moldova? What benefit does the U.S. get by being so active here?

The United States is interested in Moldova for the same reasons we are interested in any country in the world that seeks to promote freedom and prosperity for its citizens. We believe that freedom is a universal value. And we believe in free trade as a key component to economic vibrancy and prosperity. When other countries prosper and are at peace, their friends and neighbors, including the United States of America, are more secure and prosperous, too. America's commitment to Europe is growing. As the State Department's Assistant Secretary for European Affairs recently said, the United States is building a new "transatlantic Renaissance" with Europe.

During the past 20 years, the United States has invested nearly \$1 billion in Moldova. Much of this assistance is technical in nature, provided to help strengthen institutions over the long term. For example, the U.S. government, mainly with advisors from our Treasury Department, has worked with Moldova's National Bank since 1998. While none of you here likely has ever seen any of our advisers working with your banking officials, you are this day enjoying a stable currency, without the dramatic market fluctuations that often afflict other developing countries. Our assistance to Moldova has generally been in three areas: Developing civil society; reforming government and its institutions; and developing the economy.

I could address what we are doing in each of these areas individually, but in reality they are all intertwined. You cannot, for example, have a strong economy if your government institutions are weak, and vice versa. You cannot have a strong civil society if government is not open and if the justice system does not work. And you cannot have an effective and accountable government if civil society – especially, the news media – is weak.

Perhaps the most important work we are engaged in right now is the reform of Moldova's justice system, and the fight against corruption.

Ladies and gentlemen, I cannot say this strongly enough: Corruption is a tremendous drain on this country. It is an enormous obstacle to Moldova's development. It takes money away from public projects and public services. It discourages donations from international organizations and it crushes foreign investment. More importantly, it destroys the public's trust in government. Corruption must be stopped, and it must not be tolerated at any level, including at the academic level. It is very unfortunate that Moldovans are exposed to corruption so early in life, at their schools. No student should ever be compelled to pay a bribe to pass a test or to get a good grade or to be admitted to a program of study. I want to applaud the Education Ministry for taking a hard line against cheating and corruption in the educational system.

To help combat corruption elsewhere in society, the U.S. has invested millions of dollars in training and equipment to the ministries of Internal Affairs and Justice.

One of the most important anti-corruption tools is the Integrated Case Management System, which every court in Moldova received back in 2009. Among other functions, this automated system, allows for the random distribution of court cases to judges. An associated system also provides for recordings of judicial procedures. These processes can help make the justice system more transparent and less subject to coercion or bribery.

There is one major problem, however: most courts are still not fully using it, despite that the law requires them to do so! This is how you students, as citizens of Moldova, can help. When you return to your hometowns, I urge you to find out whether the local courts are using the Integrated Case Management System. If they are not, then demand that they do. Citizen activism is an important way to effect change in society, and it is certainly needed right now in the fight against corruption.

As I mentioned earlier, corruption discourages foreign investment. But it is not the only factor keeping investors out of Moldova right now. Another is the regulatory environment. Many of Moldova's laws that govern business and industry are antiquated and draconian in nature, and must be streamlined. The U.S. Agency for International Development – more commonly known as USAID – is working on these issues, such as automating the taxation system so that businesses can calculate their taxes and file them online.

The Embassy has also been actively helping Moldovans to develop their markets and make their goods more attractive both domestically and regionally. The "Din inima, branduri din Moldova" campaign, which aims at promoting and marketing products made in Moldova, was developed with substantial assistance from USAID.

Knowing how to market and deliver your products will be important to future economic growth, especially as the European Union opens its markets to Moldova.

Although the United States plays no role in the European Union, we recognize that Moldova's path of European integration would have great benefits to Moldova.

By moving closer to the EU , Moldova is making necessary reforms in its governmental structures, laws, and regulations that will make the country a more attractive place for foreign investment. The path to the EU is basically a path to modernization into the global world.

The EU accounts for one-quarter of the world's economy, and its combined gross domestic product, which as you know is the total value of a country's goods and services, amount to more than \$17 trillion. The United States accounts for another quarter of the world's economy. By comparison, the gross domestic product of the Customs Union countries combined is \$2.1 trillion.

For Gagauzia, imagine the benefits that will flow into this country when the rest of Europe discovers your fine wines, and your delicious agricultural products. And you, in turn, will enjoy greater access to high-quality European products.

European integration has helped transform many countries, such as Poland and Slovakia, into dynamic and increasingly prosperous economies. Consider this: 20 years ago, Poland's gross domestic product, its economic output, was the same as Ukraine's. Today, it is twice as big as Ukraine's.

We urge Moldova to stay on the path to the EU, and to continue to make the reforms needed to further integrate with Europe, which are reforms that will

ultimately lead to a more modern, rules-based society that will benefit all of Moldova's citizens.

Now, I want to get back to telling you a few more ways the United States is actively engaged in Moldova. And here is a good place for me to promote our Embassy Facebook page, which is where you can keep up to date on what we are doing.

Another way we are supporting economic development in Moldova is through a uniquely American project known as the Millennium Challenge Corporation, or MCC. Moldova is the fortunate recipient of a \$262 million MCC grant, which is being used for two projects:

The first MCC project is the reconstruction of 93 kilometers of the M2 road between Sarateni and Soroca. The project will end in a world-class highway that will be safer, faster, and provide for more efficient transportation of Moldovan products.

The other MCC project consists of developing irrigation infrastructure to help protect farmers during times of drought and to deliver water more efficiently to higher-value crops, which will bring more money into Moldova.

I realize that when you look at the current situation, it is easy to feel a little discouraged by the political gridlock and the ever-present corruption. But I want to remind you that Moldova has made great progress just in the past four years. We have seen improvements in the education sector, in the wine sector, in light industry, in the professionalism of the military, and the news media. We have seen significant improvements in law enforcement and border security. The improvements will continue only if there are good people dedicated to freedom, progress, and reform.

The great American president Abraham Lincoln famously described our democratic form of government as being "of the people, by the people, and for the people." In Moldova's democracy you are the people, and to make your country a better, more prosperous place, you must be active citizens in your democracy. Speak truth to power. Protect and support Moldova's rich cultural diversity, and defend human rights. Make a stand against corrupt practices. Vote in the elections. Demand accountability from your leaders.

As long as there are good people working toward a brighter future, the United States will be here at your side, working on issues that are important to your country and to mine.

Ladies and Gentlemen, thank you again for coming today. I will now be happy to take your questions.